

C 2361 (3)

~~CONFIDENTIAL/US OFFICIALS ONLY/SECURITY INFORMATION~~

25X1A2g

July 53

Country - Panama/China/(Taiwan)/US
Subject - Ajax Petroleum Corporation
Place Acquired - -----
Time Acquired - Late July 53
Date of Information 25X1X653
Source Description

This unevaluated information for US Officials
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1. Ajax Petroleum Corporation was formed recently under the laws of Panama by J. Louis Reynolds (of the Reynolds Metals Co.) and a group from the Eastern States Petroleum Corporation of Texas. The capital of the Corporation is nominal but will be supplied by the promoters as may be needed.
2. Ajax Petroleum Corporation was formed for the purpose of entering into a contract with the Chinese Petroleum Corporation to finance and supply the latter with crude oil to be processed into Jet Fuel, Diesel, and Bunker C. Ajax will also sell the processed products with the expectation of selling all of the jet fuel to the US and/or the Chinese Government. The function of the Chinese Petroleum Corporation is to process the crude in its plant at Kaohsiung, Taiwan.
3. Negotiations for the contract are in the final stages. Under the contract Ajax will supply to CPC 8,615 Bbbls. of Arabian crude per day - 365 days per year - for a period of five years, and CPC will produce:

Jet Fuel	2,960 Bbbls. per day
Diesel	3,136 " "
Bunker "C"	2,090 " "

Ajax will deliver crude cif Kaohsiung and will take delivery of finished products (except any sold in Taiwan) FOB same port. The biggest risk in this transaction is the probable lack of war risk insurance while the crude and finished products remain in Taiwan.

The directors of Ajax Petroleum Corporation are:

J. Louis Reynolds, President of Reynolds International and Vice President of Reynolds Metals Co.

Walter L. Rice, President of Reynolds Mining Co., Vice President of Reynolds Metals Co.

Clifton A. Wishart, Asst. Treasurer Reynolds Metals Co.

Leonard S. Hsu, Far East Rep. Reynolds Metals Co.

J. F. McCarthy, Chairman of Board Eastern States Pet. Corp.

R. B. Kahle, President " " " "

T. H. Grobe, Treasurer " " " "

R. N. Blaize, Executive V. P. " " " "

The officers of the Ajax Petroleum Corporation are:

J. F. McCarthy, Ch. Board

R. B. Kahle, Vice Pres.

J. B. Hobday " "

W. L. Rice, Secretary

C. A. Wishart, Treasurer

J. Louis Reynolds, Pres.

Ray Grandlund, Vice Pres.

Leonard Hsu " "

J. J. McCarthy, Asst. Sect.

Lawrence Agnew, Asst. Treas.

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